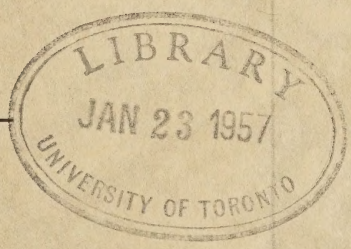


Canada, Grain Supervisors of
Canada, Board of

CA1
DA12
-19M53

MOVEMENT OF THE
GRAIN CROP
1918-19

THE BOARD OF GRAIN
SUPERVISORS FOR CANADA



WINNIPEG, MANITOBA
MARCH 19th, 1919

CA1
DA 12
-19M5

MOVEMENT OF THE
GRAIN CROP
1918-19

THE BOARD OF GRAIN
SUPERVISORS FOR CANADA

WINNIPEG, MANITOBA .
MARCH 19th, 1919



Digitized by the Internet Archive
in 2022 with funding from
University of Toronto

Movement of the Grain Crop of 1918-19

Movement to Country and Terminal Elevators

1. DELIVERIES OF GRAIN AT COUNTRY ELEVATORS BY FARMERS.

The delivery of the grain by farmers at country elevators is the first step in the movement of the grain. It is the step that creates the reservoir, and all the later movement depends for volume and rapidity upon that primary movement. Deliveries by farmers were later in time and smaller in volume during the season 1918-19 than during the previous season. The following figures show this movement in fortnightly periods during the two seasons :

**SUMMARY OF RECEIPTS AND SHIPMENTS AT COUNTRY ELEVATORS FOR THE
SEASON CROP YEAR, 1917 TO 1918 AND 1918 TO 1919**

WHEAT

1917-1918				1918-1919			
Period		Receipts	Shipments	Balance	Receipts	Shipments	Balance
Sept.	1-15.....	11,397,284	6,419,034	5,035,893	4,393,019	1,384,257	3,385,043
	15-30.....	27,662,332	16,381,474	15,727,290	20,386,077	9,368,549	14,144,311
Oct.	1-15.....	24,391,508	14,976,397	24,076,778	21,853,561	13,316,285	23,305,119
	15-31.....	21,665,327	19,780,466	25,450,136	22,595,445	17,270,438	28,326,335
Nov.	1-15.....	19,016,508	18,486,243	26,822,994	13,409,758	11,536,640	30,836,244
	15-30.....	14,852,932	16,403,090	24,452,991	14,631,034	14,566,012	29,275,379
Dec.	1-15.....	8,539,393	10,181,699	23,352,958	7,234,837	10,279,384	26,061,848
	Totals.....	127,525,284	102,628,403		104,503,731	77,721,565	
Oats							
Sept. 1 to Dec. 15		32,797,773	21,397,329	11,071,628	19,287,295	10,331,315	8,679,987
Barley							
Sept 1 to Dec. 15		5,801,553	3,867,480	1,787,452	5,877,365	3,763,291	2,145,857
Flax							
Sept. 1 to Dec. 15		3,435,785	2,344,430	1,057,592	1,733,015	1,029,604	636,414

2. DELIVERIES LIGHTER IN 1918 THAN IN 1917.

In September, 1917, the elevators received over 39,000,000 bushels of wheat; in September, 1918, they received not quite 25,000,000 bushels—a difference of 14,000,000 bushels.

In October they received about the same quantity in the two seasons, the difference being slightly in favor of 1917.

In November they received over 6,000,000 bushels less in 1918 than the previous year.

Taking the total receipts for the period specified, the farmers delivered 23,000,000 bushels of wheat less in 1918-19 than the previous year. They delivered 13,500,000 bushels less of oats, 76,000 bushels more of barley, and 1,500,000 bushels less of flax than in 1917-18.

3. SHIPMENTS FROM COUNTRY ELEVATORS TO MILLS AND TERMINALS.

Comparing the shipments of wheat from country elevators during the two seasons, it is noteworthy that the unshipped balance on the 15th December, 1918, was 26,061,848, as against 23,352,958 the previous year.

The wheat crop in Southern Alberta was so short in yield that the Board of Grain Supervisors prohibited the shipping of wheat from that district except to mills in Alberta. Bearing this fact in mind, the unshipped balance in 1918 compares favorably with that of the previous year, especially

in view of the larger receipts in 1917.

There are over 3,600 licensed country elevators in the Prairie Provinces. The total unshipped balance of wheat in all these elevators on the 15th December averaged less than 7,000 bushels per elevator. This was of all grades of wheat. It is desirable to fill one car with one grade, and it is clear that under the conditions the elevators shipped as freely as they could secure cars and grain. On 21st November, 1918, there were in store in country elevators on the Canadian Pacific Railway line outside of the embargoed area, 10,615,423 bushels divided as follows:

Stations with 4,500 bushels per elevator or under.

184 stations

348 elevators

835,906 bushels in store

Average 2,400 bushels per elevator.

Stations with over 4,500 bushels per elevator:

406 stations

1101 elevators

9,779,517 bushels in store

Average 8,882 bushels per elevator.

4. COARSE GRAINS.

There was less oats left in country elevators at 15th December, 1918, than in the previous year; less flax and more barley. In all the 3600 country elevators, there was received in 1918-19 only

19,287,215 bushels of oats in the period specified, and there was left in them by the 15th December only 8,679,987 bushels.

5. STORAGE CHARGES.

It has been stated that elevator companies deliberately held back wheat in order to increase their storage earnings either at country or at terminal points. There is no foundation whatever for this statement.

6. CAR SHORTAGE.

Car shortage is a chronic complaint in Western Canada during October and November, especially on the Canadian Northern line. Some elevators that had sufficient wheat to load cars were unable to get the cars, and, on the other hand, cars were placed at some elevators where there was not enough wheat of one grade to fill them promptly. The car distribution clauses of the Canada Grain Act result in such conditions when the car supply is short, and also when there is a crop failure in some districts and a good yield in others.

7. RECEIPTS OF GRAIN AT THE LAKE TERMINAL ELEVATORS.

The following table issued by the Board of Grain Commissioners shows the receipts and shipments of grain through the Lake Terminal Elevators during the two seasons 1917-18 and 1918-19 from 1st September till 14th December:

STATEMENT

Showing the Receipts and Shipments, Lake and Rail at the Fort William and Port Arthur Elevators—Public and Private during the period from September 1st to the close of navigation of the years 1917 and 1918.

WHEAT

1917	Receipts	Shipments		Total Shipments
		Lake	Rail	
September	12,056,651.10	6,514,283.20	682,204.20	7,196,487.40
October	31,545,860.20	33,445,018.30	583,530.00	34,028,548.30
November	36,042,926.30	32,762,672.10	537,751.40	33,300,423.50
Dec 1-14	11,606,085.30	14,371,823.20	379,153.00	14,750,976.20
Total	91,251,523.30	87,093,797.20	2,182,639.00	89,276,436.20
1918				
September	4,140,196.30	1,583,608.30	562,535.10	2,146,143.40
October	22,978,199.40	12,420,727.10	394,921.50	12,815,649.00
November	24,310,613.30	30,171,907.40	1,496,891.20	31,668,799.00
Dec. 1-14	9,452,609.10	6,396,468.40	949,797.50	7,346,266.30
Total	60,881,618.50	50,572,712.00	3,404,146.10	53,976,858.10

OATS

	SHIPMENTS			Total Shipments
	Receipts	Lake	Rail	
1917				
September	383,885.15	396,634.04	745,595.25	1,142,229.29
October	3,002,673.07	556,658.24	1,247,007.31	1,803,666.21
November	5,865,217.13	2,544,098.14	2,291,998.06	4,836,096.20
Dec. 1-14	2,858,684.16	4,230,302.24	571,205.31	4,801,508.21
Total	12,110,460.17	7,727,693.32	4,855,807.25	12,583,501.23
1918				
September	111,682.32		377,450.10	377,450.10
October	806,095.14		322,160.20	322,160.20
November	1,028,548.18		1,070,895.02	1,070,895.02
Dec. 1-12	555,857.04		373,483.28	373,483.28
Total	2,502,184.00		2,143,989.26	2,143,989.26

[Continued over

BARLEY

	SHIPMENTS				Total Shipments
	Receipts	SHIPMENTS		Rail	
		Lake			
1917					
September	603,611.14	92,743.19	79,821.26	172,614.45	
October	1,295,630.28	671,047.26	130,905.40	801,953.18	
November	1,375,106.37	1,198,570.40	397,912.05	1,596,482.45	
Dec. 1-14	579,768.13	345,500.26	54,110.36	399,611.14	
Total	3,854,116.44	2,307,912.15	662,750.11	2,970,662.26	
1918					
September	438,582.46		162,114.36	162,114.36	
October	1,203,688.01	176,463.46	177,649.21	354,113.19	
November	748,912.42	129,484.15	246,708.42	376,193.09	
Dec. 1-12	432,590.35	67,075.40	39,954.31	107,030.23	
Total	2,823,774.28	373,024.05	626,427.34	999,451.39	

FLAX

	SHIPMENTS			Total Shipments
	Receipts	Lake	Rail	
1917				
September	49,032.04	129,710.16	34,236.29	163,946.45
October	289,013.12	142,214.46	28,335.15	170,550.05
November	1,090,224.31	856,472.15	9,841.35	866,313.50
Dec. 1-14	612,753.28	678,917.11	20,064.44	698,981.55
Total	2,041,023.19	1,807,314.32	92,478.11	1,899,792.43
1918				
September	9,756.52	15,352.46	32,504.38	47,857.28
October	215,137.50	82,347.27	18,923.14	101,270.41
November	410,287.30	147,926.20	21,518.13	169,444.33
Dec. 1-12	226,594.25	286,632.32	16,292.20	302,924.52
Total	861,776.45	532,259.13	89,238.29	621,497.42

[Continued over

RYE

	SHIPMENTS			Total Shipments
	Receipts	Lake	Rail	
1917				
September	15,871.34			
October	54,433.28			
November	50,113.55		3,370.00	3,370.00
Dec. 1-14	11,872.02	63,585.14		63,585.14
Total	132,291.07	63,585.14	3,370.00	66,955.14
1918				
September	43,460.25		3,499.16	3,499.16
October	145,058.38		24,053.32	24,053.32
November	182,268.00		57,880.20	57,880.20
Dec. 1-12	89,084.01	102,347.06	1,034.16	103,381.22
Total	459,871.08	102,347.06	86,467.28	188,814.34

The receipts of wheat at the Lake Terminal Elevators were less in 1918 than in 1917 for the months specified by 30,000,000 bushels and there was a decrease in the receipts of oats of about 9,600,000 bushels.

The general cause of this decrease is given above, viz., the deliveries by the farmers to the country elevators were less than last year.

There were additional causes which helped to retard the movement. Car service played its usual part, and the epidemic of influenza closed a number of stations altogether at the very busiest part of the season. Taking all these conditions into consideration the wonder is that so much grain was moved from the country elevators to the lake front from the 1st September to the close of navigation in 1918. During the period between October 28th and November 22nd the Canadian Pacific Railway had 39 stations in Manitoba and 27 stations in Saskatchewan closed on account of influenza quarantine. On the Canadian Northern line during that period there was an average of 15 stations in Saskatchewan and 35 stations in Manitoba quarantined on account of influenza.

8. SHIPMENTS FROM LAKE TERMINAL ELEVATORS.

All the wheat received was shipped except about 6,000,000 bushels.

Movement of the Grain across the Lakes

1. THE AMERICAN LAKE CARRIERS.

The Lake Carriers of the United States met at Cleveland on 22nd July, 1918, to formulate their plans for carrying the grain. They organized a Mobilization Committee to control the whole of the lake traffic. They hoped that Canadian Lake Carriers would adopt the same plans and operate through the same Mobilization Committee, and they were willing to give representation to the Canadian companies on that committee.

RESOLUTION PASSED AT MEETING OF LAKE
CARRIERS' ASSOCIATION,
JULY 22ND, 1918.

The Lake Carriers' Association, recognizing the obligation imposed on them of furnishing efficient aid to the transportation of the grain crops of the United States and Canada agree with the Grain Corporation and the Canadian representatives as follows:

(1) That Lake Superior shall be served in preference to Lake Michigan and only surplus grain tonnage sent to Lake Michigan.

(2) That Lake Superior wheat shall be served in priority to any other grain.

(3) That all tonnage to Duluth-Superior shall be allotted through the Grain Corporation office there; all tonnage for Lake Michigan ports through the Grain Corporation office at Chicago, and tonnage to Fort William and Port Arthur under such direction or control or allotment as is acceptable to the Canadian authorities and to the Grain Corporation.

(4) That all unloading, Canadian and American, at Buffalo shall be directed by the Grain Corporation office at Buffalo.

(5) That the Lake Carriers' Association will provide tonnage for the grain movement at rates not exceeding basic rates of wheat, Lake Superior to Lake Erie, 4 cents per bushel until September 1st, and $4\frac{1}{2}$ cents per bushel thereafter until November 30th, and wheat Lake Michigan to Lake Erie, $3\frac{1}{2}$ cents per bushel until 30th November, with alternate and relative rates as follows: to Georgian Bay and Goderich $\frac{1}{2}$ cent under Lake Erie rates; to Port Huron $\frac{1}{4}$ cent under Lake Erie rates; to Collingwood $\frac{1}{2}$ cent under Lake Erie rate, but terms of discharge at Lake Erie side ports; to side points other than Buffalo and Port Colborne, including Detroit, same rates as Buffalo, but with special agreement as to discharge, allowing two working days free, but thereafter

vessel to receive $\frac{1}{8}$ cent per bushel additional on entire cargo for each running, eight hours or fraction thereof, until fully discharged; to ports of light draft vessel to be allowed freight calculated on its Buffalo capacity.

Other grain than wheat to net the vessel the equivalent of wheat cargo.

Freight to American vessels for carriage to Canadian ports shall be paid in funds current in the United States.

2. THE CANADIAN LAKE CARRIERS.

On July 30th, 1918, the Canadian Lake vessel owners met in Toronto to consider the matter. They declined the proposal for joint mobilization, preferring to continue the arrangement made and operated during the fall of 1917, and they formulated their proposals for the carrying of Canadian grain during 1918.

RESOLUTIONS ADOPTED BY CANADIAN LAKE CARRIERS.

(1) "That Canadian Carriers have given careful consideration to the proposal for mobilization of all their tonnage, either jointly with that of the Lake Carriers of the U.S.A. or separately, but after full discussion and after having heard the opinions of those interested in the trade from all points of view, have come to the conclusion that they can best serve the prime object of all such proposals, namely: the

contribution of the most effective assistance in the present unfortunate situation due to the War, by supporting a continuance of the arrangement which prevailed during the fall of 1917; and an arrangement which gave general satisfaction and effectively met all requirements.

Canadian carriers are influenced to some extent by the fact that in Canada there is no centralization of vessel management in any one locality, and, in consequence an almost insuperable difficulty would at once be encountered in an attempt to manage the trade through a committee yet, nevertheless, as already stated, this objection was subsidiary to the main question which was determined with reference to the general satisfaction expressed with the 1917 arrangement."

(2) Canadian Lake Carriers, recognizing the obligation imposed on them of furnishing efficient aid to the transportation of the grain crops of Canada and of the U.S.A. agree as follows:—

(1) That Lake Superior shall be served in preference to Lake Michigan and only surplus grain tonnage sent to Lake Michigan.

(2) That Lake Superior wheat will be served in priorite to any other grains.

(3) That all tonnage to Duluth-Superior shall be allotted through the U. S. Grain Corporation office there; all tonnage for Lake Michigan ports through the U.S. Grain Cor-

poration office at Chicago, and tonnage to Fort William and Port Arthur through the Winnipeg Chartering Committee, under the same conditions as prevailed in the fall of 1917, but under such instruction as to allotments as may be acceptable to the Wheat Export Co., and the Canadian Government, and subject to insurance by the shipper against any grain shortage on outturn, in accordance with the present arrangement in the Buffalo trade.

(4) That all unloading at Buffalo shall be directed by the U.S. Grain Corporation office at Buffalo.

(5) That the Canadian Lake Carriers will provide tonnage for the grain movement at rates not exceeding basic rates of wheat Lake Superior to Lake Erie, 4 cents per bushel until September 1st, and $4\frac{1}{2}$ cents per bushel thereafter until November 30th, and wheat Lake Michigan to Lake Erie, $3\frac{1}{2}$ cents per bushel until November 30th, with alternative and relative rates as follows: to Georgian Bay and Goderich $\frac{1}{2}$ cent under Lake Erie rates; to Port Huron, $\frac{1}{4}$ cent under Lake Erie rates; to Collingwood $\frac{1}{2}$ cent under Lake Erie rate, but terms of discharge at Collingwood to be the same as hereafter provided for discharge at Lake Erie side ports; to side ports other than Buffalo and Port Colborne, including Detroit, same rates as Buffalo, but with special agreement as to discharge, allowing two working days free, but thereafter vessel to receive $\frac{1}{8}$ cent per bushel additional on entire cargo for

*See
S. 3.
arrangement
(p. 16)*

each running eight hours or fraction thereof, until fully discharged, to ports of light draft vessel to be allowed freight calculated on its Buffalo capacity.

Other grains than wheat to net the vessel the equivalent of wheat cargo.

Freight to Canadian vessels for carriage to U.S.A. ports shall be paid in funds current in Canada, and Canadian vessels, as much as possible, shall be employed in their customary trade routes."

3. COMPARISON OF THE TWO SETS OF RESOLUTIONS.

There is little or no difference between the two sets of resolutions except in regard to the scheme for joint mobilization. Both agree to give preference to Lake Superior over Lake Michigan, and to wheat over coarse grains. They agree about unloading at Buffalo, and upon a schedule of freight rates.

4. ALLOTMENT OF AMERICAN TONNAGE.

The American tonnage was to be allotted through United States Grain Corporation at American ports, and "tonnage to Fort William and Port Arthur under such direction or control or allotment as is acceptable to the Canadian authorities and to the Grain Corporation."

So far as American tonnage was concerned, the plan carried out was that the tonnage was mobilized by the Mobilization Committee, and such ton-

nage as that committee sent to Fort William and Port Arthur was allotted by or under the direction of the Wheat Export Company.

5. ALLOTMENT OF CANADIAN TONNAGE.

The Canadian Lake Carriers declined the joint mobilization plan. On the other hand the Canadian Lake Carriers were opposed to any control by the Canadian Government that would deprive them of the management of their own vessels.

They proposed, therefore, to continue the plan of the previous season—that is, to manage and operate their own vessels, and to do so, so far as grain was concerned, through a Chartering Committee consisting of their own agents at Winnipeg.

They desired to retain full control of their own business, and it was to enable them to do so that they agreed upon the resolutions.

All chartering for grain was to be done between the owner or shipper of grain and the Chartering Committee. And this was carried out—no chartering whatever was done by the Board of Grain Supervisors.

Further, tonnage sent by the vessel owners to carry grain from Fort William was to be allotted, or distributed amongst competing shippers of grain, by the Chartering Committee, “but under such instructions as to allotments as may be acceptable to the Wheat Export Company and the Canadian Government.”

Meaning of "Allotment."

The word is used in both sets of resolutions as meaning the distribution of tonnage among the owners or shippers of grain.

6. NEW ORDER-IN-COUNCIL.

The resolutions of the Lake Carriers were sent to the Government and were also made public.

Objection was made to only two points in the resolutions—the allotments of tonnage, and the matter of insurance.

Other shippers of grain objected to all the tonnage sent to Fort William and Port Arthur being allotted amongst shippers by the Wheat Export Company. They claimed that such a monopoly was unfair, with the result that in an Order-in-Council—P.C. 2153, dated 5th September, 1918—the power to allocate the tonnage was placed with the Board of Grain Supervisors.

Shippers also objected in regard to marine and shortage insurance—and the Board was empowered to make regulations governing these, subject to the approval of the Governor-in-Council.

7. CONTROL OF LAKE TONNAGE.

American tonnage was in no respect whatever subject to the control of the Board of Grain Supervisors.

Canadian tonnage was in no respect whatever subject to the Board of Grain Supervisors—except in regard to the allotment or allocation, or dis-

tribution of it amongst owners or shippers of grain.

The Board could not compel any vessel owners to carry grain. The Board could not, and did not, charter vessels. The Board did not create and had no jurisdiction over the Chartering Committee. The Board did not refuse to load or accept any vessels offered. The Board's sole power was this—that once vessels were placed by the Chartering Committee for Grain, the Board had the final word about what shippers were entitled to space.

8. SHIPPERS' AGENT.

The shippers of grain desired a system of distributing or allocating available tonnage fairly, and they considered that the best plan would be to appoint a Shippers' Agent, paid by themselves, to act with the Chartering Committee, and to see that each shipper received his fair share of tonnage. They decided to appoint Mr. Walter Hall as agent, and this step was approved by the Board of Grain Supervisors. The instructions given to Mr. Hall were:

IN CONNECTION WITH EXPORT GRAIN

1. To give orders as to which shipper or shippers shall be in the market daily to take the offerings in cash wheat, having in mind their respective allotments when such orders are given.

2. Each shipper shall report to you daily the quantity and grades of cash wheat taken delivery of and paid for.
3. To allocate the tonnage to the shipper in accordance with the seniority of purchase and give point of destination of same.
4. To advise Mr. Stewart, Allied Governments Agent, of any proposed shipments of wheat for export, and secure from him point of destination, whether Georgian Bay or Lake Erie ports, Seaboard, or other intermediate points.
5. Such other duties incident to the successful carrying out of the accumulation and shipment of export wheat as may from time to time become necessary but not now foreseen.

IN CONNECTION WITH DOMESTIC GRAIN

To allocate lake tonnage to shippers having in view in this connection the destination of the wheat, that is, not to allot one mill tonnage to the exclusion of others. The Board desire that as far as possible wheat should be distributed equitably to all mills in Eastern Canada.

9. MARINE INSURANCE.

During the shipping season of 1917 the Chartering Committee had refused to give lake tonnage to any shipper who did not place with the committee the marine insurance.

Some shippers of grain objected very strenuously to this practice. They did so on the ground that in former years they had been able to place marine insurance where they pleased, and had been able to do it at lower rates than those charged by the Chartering Committee; and they also took the ground that it was wrong in principle apart from the rate charged for the Chartering Committee to refuse to give space unless the shipper insured through that committee.

They contended that chartering space and insuring were two different things. They were willing to pay the Chartering Committee for their services in regard to chartering, and they demanded that the services of chartering and insuring be kept distinct.

An agreement was reached between the vessel agents at Winnipeg and the shippers of grain, based on the principle of paying the Chartering Committee for chartering and permitting shippers to insure where they pleased. This agreement could not be put into effect because American vessel owners not only refused to become a party to it, but also refused to send their boats to Fort William and Port Arthur to carry Canadian grain if this agreement were made obligatory on Canadian vessels. On the other hand it was recognized that the rates for marine insurance were too high, and, as in the case of shortage insurance, a substantial reduction was offered and accepted in the meantime.

10. SHORTAGE INSURANCE.

An old source of trouble in the grain business is that of the difference of weight as between the terminal elevators of Fort William and Port Arthur and the unloading elevators east of the lakes.

The weighing of the grain at Fort William and Port Arthur is subect to Government supervision, and an official Government weight certificate is issued to the shipper of the grain. There is no such supervision of weighing at unloading elevators east of the lakes, and there is no official certificate of weight given in these elevators.

It too frequently happens that the weight as given by the unloading elevator east of the lakes is less than that shown on the Government certificate given at the Head of the Lakes.

The shipper of the grain from Fort William and Port Arthur maintains that he has nothing to do with the weighing at the terminal elevators; that he receives an official certificate of weight from the Dominion Government; that if there is either a shortage or an overage the cause must be either the elevator that loads it, the vessel that carries it, or the elevator that unloads it; and that it is therefore wrong and unfair to tax him the premium necessary for insuring the cargo against shortages.

The system of insuring against shortages has grown up since the war began. It was applied,

first to American steamers by the Wheat Export Company and then to Canadian steamers.

After the Order-in-Council P.C. 2153, dated September 5th, 1918, was enacted, the Board of Grain Supervisors sought to draft regulations for the approval of the Governor-in-Council on this matter of shortage insurance. A reduction in the rate charged for insurance was offered, and shippers of grain felt that as the system of insuring against shortages would be applied in any case to American vessels, it was expedient to accept the substantial reduction in premiums and to reserve further consideration of the matter until a later date.

11. AMERICAN TONNAGE NEEDED.

The question whether the Canadian-owned lake vessels would be sufficient to carry the whole of the Canadian crop was given careful consideration. The estimate of the quantity that Canadian vessels could carry during the season of navigation as given to the Board was substantially this—that if the Canadian-owned vessels all carried grain and nothing else, and if the grain reached the Head of the Lakes in sufficient quantity from the middle of September, Canadian-owned vessels could carry about 50,000,000 bushels before navigation closed.

This estimate was given early in the season. The Board of Grain Supervisors could not order Canadian vessel owners to refuse to carry other traffic;

it could not commandeer Canadian-owned vessels for the purpose of carrying grain exclusively; and it could not guarantee that the crop would move early to the Head of the Lakes and in sufficient volume to insure dispatch there.

As the days passed it was quite evident that the deliveries of grain from the farms to the elevators were light and late. It was also evident that receipts of grain at the lake front were light, and that if any quantity of Canadian wheat were to be moved across Lake Superior, the movement would be late in the season and every boat, whether Canadian or American, that could be secured, should be secured and that no limitation was desirable on the quantity shipped across the lakes provided the eastern elevators could unload it.

Under these conditions the Board regarded the aid of American tonnage as indispensable.

In chartering boats for grain the Chartering Committee proceeded upon two principles. First, the quantity of grain available at Fort William and Port Arthur; and second, the quantity of grain the eastern elevators could unload.

The Chartering Committee naturally would not charter boats unless there was sufficient grain to load them at the Head of the Lakes. What should be equally obvious is that the committee would not load boats if when such boats reached eastern harbors they could not be unloaded for a lengthened period.

Once a sufficient volume of grain had accumulated at the Head of the Lakes, the only limit observed by the Chartering Committee was the unloading capacity of the eastern elevators.

The Chartering Committee divided the grain traffic among the vessel-owning companies furnishing boats, dividing it so as to give each vessel-owning company its fair share of the grain traffic. They did so on the authority of the vessel owners themselves, who had created the Chartering Committee for the purpose of handling the grain. Each vessel owning company was therefore given a share of the grain traffic as fairly as the vessel agents themselves could divide it in relation to the unloading capacity of the eastern elevators.

One of the Canadian vessel-owning companies offered a vessel for grain more than its was entitled to. Had that vessel been chartered for grain by the Chartering Committee, that company would have got more than its share of the grain traffic, and some other company would have got less than its share, but not a bushel additional grain would have been carried across the lakes, because the eastern elevators were being supplied to their unloading capacity.

It has been said that the Board of Grain Supervisors refused to charter Canadian boats at a time when it was chartering American boats, and also at a time when there were not enough boats to carry the grain across the lakes.

Such statements are nonsense. The Board neither chartered nor refused to charter, nor had anything to do with chartering the steamers. The vessel companies did their own chartering through their own agents called the Chartering Committee. The incident in question was simply an attempt on the part of one company to get a larger quantity of the grain than it had allotted to it by a committee which it had helped to create; and had the Chartering Committee accepted that steamer some other company would have been deprived of that amount, and not an additional bushel of grain would have been carried across the lakes because the Chartering Committee was feeding the unloading elevators at the east to the limit of their capacity.

12. PREFERENCE TO WHEAT OVER OATS.

Complaint has been made that the Chartering Committee gave preference to the shipping of wheat over oats.

Reference to the resolutions both of the American and Canadian Lake Carriers above quoted will show that preference was deliberately given to wheat over oats. This was due to the fact that wheat must be supplied to the Allies first and foremost.

So far as Canadian oats of the crop of 1918-19 are concerned, the total quantity of oats received by the elevators at the Head of the Lakes from

September 1st to the close of navigation was 2,502,184 bushels.

A quantity of oats had been carried over by some of the grain dealers from the previous crop, probably for higher prices. Preference was given to wheat on both sides of the boundary line due to the insistence therefor from the Allied Governments.

The complaint, however, has been put in a different form, viz., that the Board of Grain Supervisors gave preference to American oats over Canadian oats. The answer to this is simple—the Board had nothing to do with the purchasing of oats in the United States, and had nothing to do with the shipping of United States grain to the Allies through Canadian ports until November 18th, 1918.

American Grain Shipped Through Canadian Ports

1. WAR TRADE BOARD.

Two Orders-in-Council, Nos. P. C. 1776 dated July, 1918, and P. C. 1869 dated 27th July, 1918, were enacted on the restriction of imports from the United States into Canada.

These Orders-in-Council authorized the War Trade Board to regulate imports from the United States into Canada.

Based upon these Orders-in-Council the Department of Customs issued on 31st July, 1918, Memorandum No. 2230-B. Paragraph No. 1 of this Memorandum reads :

“By order of the War Trade Board all articles specified in the Schedule to the said Order-in-Council appended hereto are approved for importation into Canada from the United States until otherwise ordered.”

Amongst the articles specified are wheat and wheat flour; United States grain was freely imported into Canada under the War Trade Board.

2. CANADA FOOD BOARD.

On September 14, 1918, the Department of Customs issued Memorandum No. 2238-B. In a note to Paragraph 4 of that Memorandum it is stated:

“By arrangement between the War Trade Board and the Canada Food Board, Ottawa, the approval of licenses for certain articles double starred in Schedule ‘G’ hereto is under the Canada Food Board.”

The articles double-starred include wheat and wheat flour.

The Canada Food Board regulated imports from the United States into Canada from September 14th, 1918, and so long as the Canada Food Board continued in control the Wheat Export Company was permitted to ship United States grain through Canadian ports to the Allied Governments without either limitations or licenses other than the endorsement of the Customs Department. This continued until November 19th, 1918.

3. THE BOARD OF GRAIN SUPERVISORS FOR CANADA.

On November 19th, 1918, the Department of Customs issued Memorandum No. 2256-B. The second and third paragraphs of this Memorandum read.

“By arrangement between the War Trade Board and the Canada Food Board the approval of licenses for importation of wheat, barley, oats, rye, buckwheat, flax, peas and beans is hereafter under the Board of Grain Supervisors, Winnipeg.”

“Import licenses for wheat, barley, oats, rye, buckwheat, flax, peas and beans when arriving by vessel or inland waters above Montreal will now be required in case of shipments in transit for export as well as shipments of same for home consumption.”

The Board of Grain Supervisors had, therefore, no authority to restrict or limit or interfere with the import of United States grain into Canada, or through Canadian ports, until the 19th November, 1918, and as navigation finally closed on the 12th December, the control of imports from the United States was under the Board only during the last three weeks of the shipping season.

How much grain did the Board of Grain Supervisors permit to be shipped from the United States into Canada, or through Canadian ports, after it was given control on 19th November, 1918? The answer in detail is:

On November 21st, the Board permitted the St. Lawrence Starch Company to import one cargo of corn (about 100,000 bushels).

On the same date the Board permitted the Quaker Oats Company to import two million bushels of American oats for winter storage on vessels. The Board gave this permit because the Quaker Oats Company had made a contract with the Wheat Export Company and it required this quantity of oats to fill the contract.

On the same date the Board gave permits to the Wheat Export Company for one cargo of American

oats (about 300,000 bushels) already loaded, to be unloaded at arrival, 2,000,000 bushels of American oats to be unloaded after the 1st December, and 2,500,000 bushels American oats for winter storage in vessels at Canadian lake ports.

Mr. Stewart of the Wheat Export Company stated to the Board that the need for these oats was most urgent and that plans for shipping them through Canadian ports had been already completed.

This is the total amount of United States grain of all kinds that was imported into Canada from the United States, or shipped through Canadian ports, from the United States, on the permission of the Board of Grain Supervisors after the Board had been given authority to regulate such imports.

Most of the United States grain shipped through Canadian ports was shipped prior to the date on which the Board of Grain Supervisors was given authority to regulate the imports of grain. On the grain shipped to the Allies through Canadian ports from the United States prior to that date the Board of Grain Supervisors was not consulted except in one case.

There was a strike of elevator employees at Fort William and Port Arthur in the month of October, 1918. Mr. Stewart of the Wheat Export Company stated to the Board that there was considerable anxiety lest the strike should lessen the

supply of wheat to the Allies. He stated that he could secure 5,000,000 bushels of American wheat to be shipped to the Allied countries through Canadian ports and he asked whether the Board of Grain Supervisors would object to the shipment of that quantity. The Board at that time had no power to prevent or control such shipments, and upon Mr. Stewart stating that this quantity would be needed to load vessels placed at Canadian Atlantic ports, the Board did not make any objection.

4. GRAIN STORED IN VESSELS DURING THE WINTER MONTHS.

On November 14th, 1918, the Board learned that the Wheat Export Company proposed to place at Canadian Lake ports, vessels loaded with 10,000,000 bushels of wheat and four or five million bushels of oats for winter storage. Having no authority in the matter the Board protested to the Department of Trade and Commerce on the ground that preference should be given to vessels carrying Canadian grain.

The matter was considered by the Government and while the Board of Grain Supervisors was given authority as above stated to regulate imports of grain from the United States on the 19th November, still permission was given to the Wheat Export Company to place the vessels carrying the American grain at Canadian ports.

5. THE ALLIED GOVERNMENTS AND AMERICAN GRAIN.

The Wheat Export Company bought the American grain shipped through Canadian channels for the Allied Governments, and the Wheat Export Company not only bought the grain but controlled the routing of it. Neither the buying nor the shipping of American grain was under the control of the Board of Grain Supervisors.

The shipping through Canadian ports was controlled by the War Trade Board during one period and by the Canada Food Board during a longer period as stated above. Probably these Boards were reluctant to interfere with the plans of the Allied Governments regarding the wheat supply.

6. CAPACITY OF THE CANADIAN EASTERN OUTLET FOR GRAIN.

Normally the grain of Western Canada that is exported between harvest and the close of navigation cannot be handled through the Canadian eastern outlet; a considerable portion of it is exported every year through United States channels.

Nothing has been more firmly proven by experience than the inadequacy of Canadian eastern channels to handle the western grain exported between harvesting and the close of navigation. Whether the cause of this is to be found in the capacity of the railways to haul grain from the eastern lake elevators to the seaboard, or whether the cause is to be found in the switching facilities

at the elevators in Montreal, or whether it is to be found in the capacity of the elevators in Montreal either to unload the grain or to load it into vessels, or whether it is to be found in the inadequacy of ocean tonnage, the fact remains that much Canadian grain every year goes through United States outlets, and it is not desirable so long as this condition exists to provoke anything like retaliation from the United States.

The influenza epidemic last season still further lessened the capacity of the Canadian outlet, and the American outlet from Buffalo to the seaboard was congested with American grain.

7. EASTERN EARNINGS.

Whatever some westerners may think of it, many in Eastern Canada regard it as good business for the Dominion to handle all the American grain that is offered. It is argued that this adds to the earnings of the railway companies, elevators, Canadian lake ports and Canadian sea ports, and it provides additional work for eastern labor.

Instead of opposing the handling of American Grain through Canadian ports in 1918, these supported it strongly in the interest, as they claimed, of the Dominion.

8. THE SURPLUS OF CANADIAN WHEAT.

The shipping of American grain through Canadian ports did not lessen the supply of wheat to the Allied countries. When the Armistice was

signed the United Kingdom had twenty-two weeks' supply of wheat and flour within its border.

The shipping of American grain through Canadian channels did not lessen the price paid to the Canadian farmer, and did not, so far as Western Canada is concerned, prevent him selling his wheat at any time he chose.

The elevator capacity throughout the prairies was sufficient to take care of the wheat, and while in some districts, especially on the Canadian Northern line, there was difficulty in securing cars, still the statement stands that the western farmer not only secured the full price, but in the main was able to dispose of his grain at any time he chose.

So long as the producers can dispose of their wheat at the full price, and so long as the Allies secure sufficient supplies of wheat it is idle to exaggerate the disadvantages of shipping American grain through Canadian ports.

It would have been serious had the Allied Governments refused to buy the surplus of the Canadian wheat crop. The fact, however, is that the Allied Governments will purchase, or have purchased, the whole surplus of the Canadian wheat crop.

It should not be forgotten that it is necessary to retain a certain amount of wheat in Canada for home consumption throughout the year.

The net exportable surplus in Canada, excluding the thirty-five million bushels sold to the Allies by close of navigation, in the form of either wheat or flour is estimated at thirty million bushels, after Canadian consumption has been taken care of. Of this thirty million bushels a quantity must be retained within the Dominion for the manufacture of flour for export. The Allied Governments will continue giving orders for flour to Canadian mills, and to fill these orders some of the thirty million bushels must be retained within the Dominion, and it must be retained in positions from which it is available to both western and eastern mills.

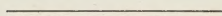
How much flour the Allied Governments will buy from Canada from now to the end of the season is not yet known. The quantity of wheat to be exported as wheat is therefore not yet known. The milling capacity of the Dominion is eight million bushels of wheat per month, and provided sufficient orders for export flour were obtained, the total surplus of wheat in Canada to-day could all be ground into flour within the Dominion before the next harvest is due.

But in any event, and whether it will be exported in the form of wheat or flour, the whole exportable surplus will be disposed of before the end of July.

It should be remembered in this connection that owing to the immense accumulations of all kinds of food stuffs, and of other materials of war,

there is no warehousing space available in the United Kingdom to-day, and time must be given to Great Britain to dispose of some of her accumulations.

It should also be remembered that the British Government has freed British shipping, with the result that the Wheat Export Company cannot now get ocean tonnage either as quickly or in as large volume as when the British Government operated the vessels.





3 1761 11467640 6

